

JOINT MEETING OF
HEALTH & EDUCATION COMMITTEE
BUDGET COMMITTEE and SCHOOL BOARD

May 22, 2012

5:00 p.m.

Board of Education

MINUTES:

MEMBERS PRESENT:

Commissioner Rhonda Allen
Commissioner Carol Cook
Commissioner Will Jordan
Commissioner Jeff Phillips
Commissioner Chantho Sourinho
Commissioner Brad Turner
Commissioner Jeff Jordan, Chm

Commissioner Charlie Baum
Commissioner Joe F. Jernigan
Commissioner Steve Sandlin
Commissioner Doug Shafer
Commissioner Joyce Ealy, Chm

OTHERS PRESENT:

Ernest Burgess Lisa Nolen
Harry Gill Grant Kelley
Mark Byrnes Terry Hodge
Donald Jernigan Wayne Blair
Jeff Reed Tim Tackett
Aaron Holladay Joyce Michaels
Gary Clardy Don Odom
James Evans Mike Snell
David Nipper Sue Cain
Jeff Reed Becky Shelton
Helen Blankenship

Chairman J. Jordan presided and called the joint meeting of the Health & Education Committee, Budget Committee and School Board to order at 5:10 p.m. to include presentation of the 12/13 School Board budget.

MINUTES:

"Commissioner Allen moved, seconded by Commissioner Cook, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

SALARY SUPPLEMENT AGREEMENT FOR HEALTH DEPARTMENT DIRECTOR:

The Committee was first advised the annual agreement with the State of Tennessee for the salary supplement of \$6,630 plus applicable benefits not to exceed \$1,504 for a total amount of \$8,134 for the salary of the Health Department Director had been received. Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Allen, to approve the salary supplement agreement for the Health Department Director and forward the same to the Budget Committee. This motion passed unanimously by acclamation."

STATE CONTRACT FOR HEALTH DEPARTMENT:

Finance Director Nolen advised the annual contract with the State of Tennessee for the local Health Department had been received. The contract was not available at this meeting. Following discussion,

"Commissioner Turner moved, seconded by Commissioner Cook, to approve the annual contract with the State of Tennessee for the local Health Department and forward the same to the Budget Committee. This motion passed unanimously by acclamation."

SCHOOL BOARD REPORT:

The Committee was first advised of General Purpose School budget amendments including (1) an amendment to budget \$142,360 in grants, donations and other revenues to the specific budget lines covered by the revenues. The net expenditures equal the revenues. (2) An amendment reducing the budget for Natural Gas, 72610-434, by \$221,700 and increases Water and Sewer, 72610-454, by \$25,000, Transportation Contracts with Other Agencies by \$21,700 and Contracts with Vehicle Owners by \$175,000. (3) An amendment increasing the budget for substitute teachers throughout the General Purpose School

budget by \$323,000 which is being funded by reallocating available salary and benefit dollars from line items across the budget. (4) An amendment increasing the budget for unemployment compensation throughout the General Purpose School budget by \$165,000 being funded by reallocating available salary and benefit dollars from line items across the budget. (5) An amendment reallocating a total of \$575,626 in already budgeted salaries and benefits throughout the General Purpose School budget. The primary purpose of the amendment is to add a net \$504,780 in medical insurance to make sure that all insurance lines have sufficient funding for the 11/12 fiscal year. The amendment is being funded by reallocating available, budgeted salary and benefit dollars from line items across the budget. (6) An amendment reallocating existing budgeted funds to address three areas: \$170,000 for the technology budget, \$10,000 to pay the coordinator (a retired teacher) of the Virtual Enterprise Program and \$25,000 for bus cameras and parts. The technology amendment adjusts this part of the budget in order to better reflect the way actual technology expenditures are being recorded. More items are being charged to Function 72810, Central and Other, instead of 71100, Regular Instruction, and as prices have dropped more items qualify as other materials and supplies. Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Sourinho, to (1) amend \$142,360 in grants, donations and other revenues and the related expenditures as presented; (2) amend Water and Sewer by \$25,000, Transportation Contracts with Other Agencies by \$21,700, Contracts with Vehicle Owners by \$175,000 and to reduce Natural Gas by \$221,700 as presented; (3) increase the budget for substitute teachers throughout the General Purpose School budget by \$323,000 and to fund the expenditure by reallocating available salary and benefit dollars as presented; (4) increase the budget for unemployment compensation throughout the General Purpose School budget by \$165,000 and to fund the expenditure by reallocating available salary and benefit dollars as presented; (5) increase the budget for medical insurance, \$504,780, and other employee benefits, \$70,846, and to fund the total \$575,626 in expenditures by reallocating available salary and benefit dollars as presented; and (6) amend a total of \$205,000 in already budgeted expenditures to the appropriate function object lines for the technology budget, the Virtual Enterprise Program and bus cameras and parts as presented. This motion passed unanimously by roll call vote."

Mr. Sandvig next presented the 12/13 proposed budget for the Cafeteria Fund 143 of operating expenses of \$9,399,224, equipment of \$840,453 and total expenses of \$18,033,200. Following discussion,

"Commissioner Cook moved, seconded by Commissioner Allen, to approve the Cafeteria Fund 143 budget as presented. This motion passed unanimously by roll call vote."

The Committee was next provided the Major Capital Projects Fund 177 budget which included roofing, paving, the sewer at Lascassas and windows at Holloway for total expenditures of \$2,380,027. Following discussion,

"Commissioner J. Phillips moved, seconded by Commissioner Allen, to approve the Major Capital Projects Fund 177 budget as presented. This motion passed unanimously by roll call vote."

Superintendent Gill next presented the 12/13 General Purpose School budget with a summary, the budget by object code and a detailed version. The Committee was also provided a list of cuts to the budget the School Board approved immediately prior to this meeting. Superintendent Gill advised increases in the budget are a direct result of growth, State mandates and insurance costs. The 2 1/2% salary increase mandated by the State is on the State portion. Nineteen of the new positions are being required by the State.

The budget is increased by \$12,436,219 and totals \$279,680,771. There is a \$9,102,756 shortfall from revenues. Mr. Gill advised the budget could be funded from the fund balance but last year the School Board committed to open Stewarts Creek with no tax increase and if the fund balance is used this year it will require a

tax increase next year. Mr. Sandvig advised only \$2,400,000 of the \$5,400,000 State increase is being paid by the State. Mr. Gill reviewed the new employee positions in the budget. The Committee discussed how other districts and counties are handling the State mandated increases. Mr. Tackett advised other counties have inferior structures with little or no upkeep. Mr. Gill urged caution draining the fund balance. Commissioner W. Jordan advised he preferred to increase taxes next year in case revenues come in better than anticipated. Mr. Gill advised he knew of no further requirements coming from the State next year. Mayor Burgess advised the budgets are close but he anticipates closing better than projected and revenues have increased over the last two years. Finance Director Nolen provided information on the budget advising it required 18.66 pennies to balance. Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Cook, to approve the School Board budget as presented at \$279,680,771 and forward the same to the Budget Committee. This motion passed unanimously by roll call vote."

Chairman J. Jordan advised he tentatively planned to have no meeting in July.

There appearing to be no further business to come before the Committees, Chairman J. Jordan declared the meeting adjourned at 6:14 p.m.

JEFF JORDAN, Chairman